



**Environmental Services Division**  
**Energy and Waste Management Bureau**

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**OIL PRICES DROP, BUT WINTER HEATING STILL EXPENSIVE**

**DES MOINES** — Crude oil may have seen its traditional fall peak in prices. Crude finished trading on November 15 at \$46.88 per barrel, \$8.05 less than last month. One year ago, crude was \$31.73 per barrel. The drop in price was due to returning Gulf of Mexico oil production, increasing U.S. oil inventories, and the ending of strikes in Norway and Nigeria. However, that doesn't mean Iowans are out of the woods for this heating season.

"Heating prices will still be higher this year than last year," said Jennifer Moehlmann, energy data analyst for the Iowa Department of Natural Resources.

On November 15, natural gas was trading at \$6.00/MMBtu, \$0.21 higher than last month and 33 percent above the price of natural gas at this time last year (\$4.50/MMBtu). Natural gas prices are expected to be up to 29 percent higher this winter. Approximately 67 percent of Iowans heat their homes with natural gas.

According to the DNR's November 15 fuel price survey, the average retail price of propane was \$1.30 per gallon, \$0.06 higher than the previous month and 29 percent above the retail price of propane at this time last year (\$1.01 per gallon). Propane prices are forecasted to average 22 percent higher this winter than last. Roughly 15 percent of Iowans use propane for heating their homes.

The survey reported the average retail price of No. 2 heating oil was \$1.70 per gallon, \$0.09 lower than last month and 49 percent above the price of heating oil at this time last year (\$1.14 per gallon). Heating oil prices are expected to rise the most of all heating fuels, averaging 38 percent higher than last winter. Heating oil is used to heat about two percent of Iowa homes.

With fuel price volatility here to stay, investing in energy efficiency measures for your home is a smart choice. Consumers can decrease their heating bills by following a few easy steps provided by the U.S. Department of Energy:

- 1) Check for leaks. On a windy day, hold a lit candle near windows, doors, plumbing, ducting and wiring. If the smoke starts blowing sideways, you've got a leak. Cut off the airflow by taping clear plastic sheeting to the insides of windows, weather stripping doors, and caulking around plumbing, ducting, and wiring leaks. Many power companies provide free home heat-loss inspections to try to identify problem areas.
- 2) Insulate, insulate, insulate. Put an insulating blanket around your hot-water heater and pipes. They'll lose heat slower and require less input from the furnace. Check the attic to see if your insulation is up to standards.
- 3) Regulate the temperature. Install a programmable thermostat so you can keep the house cool when nobody's home. You can set these devices so they start to heat things up again an hour or so before you're due back. Lower the setting when you go to bed.
- 4) Check for cold ducts. Look for sections of your heating ducts that have separated or have holes in them. Insulating ducts can make a big dent on energy bills.

Consumers are encouraged to implement energy efficient measures early on to result in long term savings. Widespread adoption also leads to less demand, which in turn lowers fuel prices.

Gasoline prices across Iowa have followed the drop in crude oil. According to the DNR's November 15 fuel price survey, gasoline prices were \$0.07 lower than one month ago, averaging \$1.87 for a gallon of self-serve, regular unleaded gasoline. Prices across the state ranged from \$1.73 to \$2.00 per gallon and averaged \$0.44 higher than this time last year.

"Gasoline prices have finally begun their normal seasonal decline," said Moehlmann. "However, prices still remain vulnerable to potential future oil price increases."

The average price for regular unleaded gasoline blended with ethanol was \$1.84 per gallon. Ethanol-blended gasoline currently represents 65 percent of the market share. All auto manufacturers warrant the E-10 blend of 10 percent alcohol and 90 percent gasoline for use. Many manufacturers, including General Motors and Daimler-Chrysler, recommend the use of oxygenated fuels, such as ethanol, in their vehicles.

The average price of self-serve diesel fuel on November 15 was \$2.11, down \$0.01 from last month. Diesel fuel was \$1.51 per gallon one year ago.

“Diesel prices should start to decline, as oil prices have fallen and demand drops off at the end of the harvest,” said Moehlmann.

To help consumers improve fuel efficiency, the Iowa DNR has placed tips and information on fuel savings and alternative fuels on its website at [www.iowadnr.com](http://www.iowadnr.com). Tips include driving more efficiently, keeping vehicles tuned up and planning and combining trips. Consumers can also choose ethanol at the pump, purchase E85 for flexible fuel vehicles and choose biodiesel blends for diesel vehicles.

#### HEATING FUELS SURVEY

	October 15	November 15	Change
Natural Gas	5.79	6.00	+.21
Propane	1.24	1.30	+.06
#2 Heating Oil	1.79	1.70	-.09

#### MOTOR FUELS SURVEY STATE AVERAGES

Self-Serve	October 15	November 15	Change
Regular Unleaded	1.94	1.87	-0.07
Regular Unleaded with Ethanol	1.92	1.84	-0.08
Premium Unleaded	2.05	1.96	-0.09
Diesel	2.12	2.11	-0.01
Full-Serve	October 15	November 15	Change
Regular Unleaded	2.04	1.99	-0.05
Regular Unleaded with Ethanol	2.03	1.97	-0.06
Premium Unleaded	2.15	2.13	-0.02
Diesel	2.25	2.22	-0.03

#### AVERAGE SELF-SERVE UNLEADED PRICES IN MAJOR CITIES

	October 15	November 15	Change
Ames	1.94	1.86	-0.08
Cedar Rapids	1.94	1.87	-0.07
Council Bluffs	1.92	1.84	-0.08
Davenport	1.89	1.78	-0.11
Des Moines	1.92	1.78	-0.14
Dubuque	1.97	1.87	-0.10
Fort Dodge	1.94	1.95	+0.01
Iowa City	1.99	1.94	-0.05
Sioux City	1.90	1.88	-0.02
Waterloo	1.92	1.84	-0.08
Webster City	2.01	1.96	-0.05
Average Metro Price	1.94	1.86	-0.06

#### AVERAGE SELF-SERVE UNLEADED PRICES IN RURAL IOWA

	October 15	November 15	Change
Northeast	1.93	1.86	-0.07
Northwest	1.97	1.91	-0.06
Southeast	1.93	1.82	-0.11
Southwest	1.92	1.84	-0.08
Rural Area Average	1.94	1.86	-0.08

#### WHOLESALE PRICES IN METROPOLITAN AREAS IN IOWA

Unleaded (cents per gallon)	October 7	November 11	Change
Des Moines	140.27	131.9	-8.37
Dubuque	141.21	132.93	-8.28

Diesel Fuel (cents per gallon)	October 7	November 11	Change
Des Moines	149.91	147.52	-2.39
Dubuque	150.00	148.18	-1.82